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CENTRAL INTELLIGENCE AGENCY Directorate of Intelligence 1 July 1966

INTELLIGENCE MEMORANDUM

## Guatemala Situation Report

Julio Cesar Mendez Montenegro was inaugurated President of Guatemala for a four-year term at 12:00 noon EDT.

Army Day was celebrated yesterday with a military parade and an air force fly-by. Last night Provisional President Peralta gave a reception for the visiting delegations. The army was much in evidence in the streets as were plain-clothes policemen, and no incidents were reported.

Last night Rafael Tischler Guzman--Communist Party Central Committee member--and two guerrillas of the 13 November Revolutionary Movement were released from jail. Their release was ordered by the newly appointed supreme court in an apparent move to show the leniency and democratic orientation of the new government.

Attorney Jose Roberto Serrano who was kidnaped by the Communist Party's action arm, the Fuerzas Armadas Rebeldes (FAR) on 24 June has been released. Ranson had been set at \$100,000. As of 30 June Serrano was trying to leave the country for Mexico. Other members of prominent families may follow his example.

Governor Connally's trip to the Indian village of Chichicastenango and Lake Atitlan came off yesterday without incident. Governor Connally is scheduled to leave Guatemāla at 0740 local time tomorrow morning.